

GUIDING PRINCIPLES OF GOOD TAX POLICY

1. **Equity and Fairness** (similarly situated taxpayers, similar taxes)
2. **Certainty** (clear rules about when tax paid, how paid and amount determined)
3. **Convenience of Payment** (at a time, in a manner convenient for taxpayer)
4. **Economy in Collection** (minimum cost for government and taxpayers)
5. **Simplicity** (so that taxpayers understand and comply correctly and efficiently)
6. **Neutrality** (minimum tax effect on decision to carry out or engage in a transaction)
7. **Economic Growth and Efficiency** (tax system not impede or reduce economy)
8. **Transparency & Visibility** (taxpayers should know a tax exists and when imposed)
9. **Minimum Tax Gap** (tax structured to minimize noncompliance)
10. **Appropriate Government Revenues** (stability, enable govt. to predict revenues)

Source: Guiding Principles of Good Tax Policy: A Framework for Evaluating Tax Proposals. American Institute of Certified Public Accountants. 2001.